

June 19, 2009

Maine Milk Commission Meeting Minutes  
Deering Building, Room 233  
Augusta, Maine 04333

Notices for the June 19, 2009 meeting were distributed to Commission members, intervenors and other interested parties May 22, 2009 and sent to the Secretary of State's Office for posting on May 26, 2009.

**Commission Present:** Colon Durrell, Richard Cook, and Mark Hedrich, *ex-officio*

**Commission Absent:** Chairman Michael Wiers and John Joseph

**Department Officials:** None

**Staff Present:** Tim Drake, Executive Director, and Carol Gauthier, Office Associate

**Legal Counsel:** Lucinda White

**Intervenors Present:** John Blake, H.P. Hood, Inc., Thomas Brigham, Oakhurst Dairy, Dale Cole, President of the Maine Dairy Industry Association (MDIA), Julie-Marie Bickford, Executive Director of Maine Dairy Industry Association, John Economy, Garelick of Maine and Shelley Doak, Executive Director of the Maine Grocers Association.

**Others Present:** Fred Hardy from MDIA; Chuck Farrand, David Doak, John Stoughton, Barney Wright, Harold and Galen Larabee, Walter Fletcher dairy farmers; Mary Frank and Ruby Hardy, public attendees; also Bill Randall of Agri-Mark.

Acting Chair Colon Durrell called the meeting to order at 1:40 p.m.

**Agenda Item 1: Minutes:** Mark Hedrich made a motion to accept the minutes of the May 22, 2009 meeting. Richard Cook seconded. Motion passed 2-0.

**Agenda Item 2: Lucinda White, Assistant Attorney General:** Lucinda White reported that Amy Mills will be back from maternity leave by next month.

**Agenda Item 3: Minimum Prices:**

Tim Drake reported that there is a prevailing premium of \$1.10/cwt on Class I for June 2009 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for June is \$13.51. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.52/cwt. He stated that this price schedule was for information purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Acting Chairman Durrell asked if there were any comments or new information from the interveners. Julie-Marie Bickford noted an error on order 07-09; the Statistical Uniform Blend should read \$12.18 not \$1.18. This was confirmed by Tim Drake. Ms. Bickford also noted that the class I price was abysmal and that the tier payment for April was about a third of what it should have been due to the

cap imposed by the legislature this last session. She also noted that there would not be a tier payment in June for that very same reason. It was also brought to the attention of the commission members that a 400 cow dairy farmer lost his life to his own hand this week and that this was a nationwide phenomenon due to low milk prices, this was the second loss to Maine this year. Dale Cole noted that Maine dairy producers appreciated the Maine Milk Commission and all that it has done for the dairy industry in the past and that not all states were as fortunate. Richard Cook asked for two more price schedules to be prepared with higher producer margins at the next breakpoints. Tim Drake then prepared two new schedules with new producer margins for the commission members. Richard Cook then moved to accept order 07-09 with a producer margin of \$1.66. Mark Hedrich seconded this motion. John Blake asked if this was a good rationale for milk price determinations based on breakpoints. Dale Cole answered that a disaster was coming and that something had to be done however small. Shelley Doak of the Maine Grocers Association noted that this price schedule would have an effect on border stores sales and that the Maine consumer continues to pay a “tax” on Maine milk. She went on to remind the commission members that their mission was to ensure a safe reliable supply of milk taking into account all of the different segments of the dairy industry in Maine. Dale Cole said that milk was in effect being stolen because the farmers have no say in the pricing of their product. John Blake replied that farmers do have say as he sees it as they are receiving \$7/ cwt more than farmers outside of Maine. Dale Cole answered that Maine farmers do because of the Maine Milk Commission. John Economy stated that he had sympathy for Maine dairy farmers but that we need to keep working on this but that this type of action will cause milk to leave the state and could cause a closure of processing plants. Acting Chairman Durrell called for a vote, the motion passed 3-0.

**Agenda Item 4: Maine Monthly Price Survey:** The Commission reviewed the Maine price survey for June 2009 which included prices for Augusta, Bangor/Brewer, Palmyra, Auburn and Brunswick. IAMCA’S nationwide price survey was also provided to commission members for review.

**Agenda Item 5: Next Scheduled Meetings:**

- July 17, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- August 21, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- September 18, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- October 23, 2009, Friday 1:30 p.m.  
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

**Agenda Item 6: Other:**

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary.
2. **Milk Promotions:** None

3. **Minimum Price Violations:** Tim Drake outlined two minimum price violations that were uncovered in June. One was Gibbs Oil, Inc. whose store in Topsham was selling 1% gallons at \$2.89. Commission members were provided a copy of the letter that was sent to Gibbs Oil and their response. Commission members noted that this was their first offense and that no penalty should be imposed at this time. Stop & Shop of Kennebunk was also selling their entire line of store branded gallons at May's lower minimum prices thereby making them below June's minimum prices. Lucinda White explained the commission's penalty options. The Commission directed that a consent agreement be drawn up for Stop & Shop with a suspended \$1000 penalty; the penalty will be imposed automatically if Stop & Shop violates Maine's milk statutes again.

**Agenda Item 7: Executive Session:** The Commission did not go into Executive Session.

**Adjourned:** Adjourned at 2:30 p.m. June 19, 2009.

Tim Drake, Maine Milk Commission